



Telecom Decision CRTC 2007-85

Ottawa, 11 September 2007

Bell Canada – Applications for forbearance from the regulation of residential local exchange services

Reference: 8640-B2-200705593, 8640-B2-200706830 and 8640-C12-200706351

In this Decision, the Commission approves Bell Canada's request for forbearance from the regulation of residential local exchange services in 2 exchanges in Ontario. The Commission denies Bell Canada's request for forbearance in 56 exchanges.

Introduction

1. The Commission received applications by Bell Canada, dated 11 April and 1 May 2007, in which the company requested forbearance from the regulation of residential local exchange services¹ in 249 exchanges in Ontario and Quebec.
2. In Telecom Decision 2007-65, the Commission dealt with the applications for forbearance for 191 of the 249 exchanges. In this Decision, the Commission addresses the applications for forbearance for the remaining 58 exchanges, which are listed in Appendix 1.
3. In a letter dated 7 May 2007, the Commission directed incumbent local exchange carriers, competitive local exchange carriers (CLECs), and wireless service providers to provide additional information regarding local forbearance applications before it.
4. The Commission received submissions and/or data regarding Bell Canada's applications and/or local forbearance applications in general from Access Communications Co-operative Limited; Amtelecom Cable Limited Partnership; Bell Aliant Regional Communications, Limited Partnership; Bell Canada; Bell Mobility Inc.; Bragg Communications Inc., carrying on business as EastLink; Bruce Telecom; Canadian Cable Systems Alliance Inc.; Cogeco Cable Inc.; Execulink Telecom Inc.; Globility Communications Corporation; Mountain Cablevision Ltd.; MTS Allstream Inc.; Primus Telecommunications Canada Inc.; the Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada and the National Anti-Poverty Organization; Quebecor Media Inc. on behalf of Videotron Ltd.; Rogers Communications Inc.; Saskatchewan Telecommunications; Shaw Communications Inc.; 9164-3122 Québec inc., doing business as Sogetel Numérique; Téléphone Drummond inc.; TELUS Communications Company; Wightman Telecom Ltd.; and WTC Communications. The record of this proceeding closed with reply comments by Bell Canada, dated 20 July 2007.

¹ In this Decision, "residential local exchange services" refers to local exchange services used by residential customers to access the public switched telephone network, and any associated service charges, features, and ancillary services.

5. The Commission has assessed Bell Canada's applications based on the local forbearance test set out in Telecom Decision 2006-15, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, P.C. 2007-532, 4 April 2007 (modified Telecom Decision 2006-15), by examining the following:
 - a) Product market
 - b) Competitor presence test
 - c) Competitor quality of service (Q of S) results
 - d) Communications plan
6. The Commission notes that it has already addressed an additional issue raised by Bell Canada in its applications, namely limitation of liability provisions, in Telecom Decision 2007-65.

Commission's analysis and determinations

a) Product market

7. The Commission received no comments with respect to Bell Canada's proposed list of residential local exchange services.
8. The Commission notes that Bell Canada is seeking forbearance for 20 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2007-65, it considered all of these services to be appropriate for forbearance. The list of approved services is set out in Appendix 2 to this Decision.

b) Competitor presence test

9. As noted above, in this Decision the Commission addresses Bell Canada's applications for forbearance from the regulation of residential local exchange services in 58 exchanges.
10. The Commission notes that information provided by parties indicates that there is no facilities-based fixed-line telecommunications service provider, other than Bell Canada, offering residential services in the Lusville, Brownsburg, Cowansville, Dunham, Granby, Papineauville, St-Germain-de-Grantham, St-Paul-d'Abbottsford, Thurso, Waterloo (Quebec), or Wickham exchanges. Accordingly, the Commission determines that these 11 exchanges do not meet the competitor presence test.
11. The Commission also notes that for the 32 exchanges listed in Appendix 3, information provided by Bell Canada and confirmed by competitors indicates that none of the competitors is capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada is capable of serving in each of these exchanges. Accordingly, the Commission determines that these 32 exchanges do not meet the competitor presence test.

12. Regarding the remaining 15 exchanges, the Commission notes that Bell Canada submitted that competitors were capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada was capable of serving in these exchanges.
13. The Commission also notes that Bell Canada submitted service area maps as part of its evidence. However, some competitors submitted that service area maps did not indicate whether a CLEC provided local exchange services using its own facilities.
14. The Commission considers that while service area maps provide evidence that competitors offer services, they do not demonstrate whether the competitors provide facilities-based local exchange service. As a result, for the exchanges where Bell Canada provided service maps as evidence, the Commission requested that the competitors provide additional information regarding their facilities-based capability within an exchange.
15. The Commission notes that for 2 of these 15 exchanges, namely, Bethesda and Hamilton, information provided by parties confirms that there are, in addition to Bell Canada, at least two independent facilities-based telecommunications service providers, including providers of mobile wireless services. Each of these service providers offers local exchange services in the market and is capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada is capable of serving, and at least one, in addition to Bell Canada, is a facilities-based, fixed-line telecommunications service provider. Accordingly, the Commission determines that these 2 exchanges meet the competitor presence test.
16. The Commission determines that the remaining 13 exchanges do not meet the competitor presence test, as the other fixed-line telecommunications service providers are not capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada is capable of serving.

c) Competitor Q of S results

17. The Commission notes that Bell Canada submitted competitor Q of S results for the period of December 2006 to May 2007. The Commission also notes that in Telecom Decision 2007-65, it determined that Bell Canada's competitor Q of S results for this period met the competitor Q of S criterion.

d) Communications plan

18. The Commission notes that it approved Bell Canada's proposed communications plan, with revisions, in Telecom Decision 2007-65. In accordance with its determinations in that Decision, the Commission directs Bell Canada to provide these revised communications materials to its customers in both official languages, where appropriate.

Conclusion

19. The Commission determines that Bell Canada's applications regarding the Bethesda and Hamilton exchanges meet all the local forbearance criteria set out in modified Telecom Decision 2006-15.

20. Pursuant to subsection 34(1) of the *Telecommunications Act* (the Act), the Commission finds as a question of fact that a determination to forbear, to the extent specified in modified Telecom Decision 2006-15, from the regulation of the residential local exchange services listed in Appendix 2 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2 as they pertain to residential customers only, in the Bethesda and Hamilton exchanges, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
21. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these residential local exchange services are subject to a level of competition in these exchanges sufficient to protect the interests of users of these services.
22. Pursuant to subsection 34(3) of the Act, the Commission finds as a question of fact that to forbear, to the extent specified in modified Telecom Decision 2006-15, from regulating these residential local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
23. In light of the above, the Commission **approves** Bell Canada's applications for forbearance from the regulation of the local exchange services set out in Appendix 2 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, as they pertain to residential customers only, in the Bethesda and Hamilton exchanges, subject to the powers and duties that the Commission has retained as set out in modified Telecom Decision 2006-15. This determination takes effect as of the date of this Decision. The Commission directs Bell Canada to file for Commission approval revised tariff pages within 30 days.
24. The Commission determines that Bell Canada's applications regarding the remaining 56 exchanges do not meet all the local forbearance criteria set out in modified Telecom Decision 2006-15. Accordingly, the Commission **denies** Bell Canada's application for forbearance from the regulation of the residential local exchange services in those 56 exchanges.

Secretary General

Related documents

- *Bell Canada – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-65, 3 August 2007
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, P.C. 2007-532, 4 April 2007

- *List of services within the scope of the proceeding on forbearance from the regulation of local exchange services*, Telecom Decision CRTC 2005-35, 15 June 2005, as amended by Telecom Decision CRTC 2005-35-1, 14 July 2005
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Bell Canada requested forbearance from the regulation of its residential local exchange services in the following 58 exchanges:

Exchanges within the priority census metropolitan areas (CMAs)

Hamilton CMA

Binbrook
Hamilton
Mount Hope

Montréal CMA

Hudson
Mirabel-Aéroport
Mirabel-Ste-Scholastique
Oka

Ottawa-Gatineau CMA

Aylmer
Buckingham
Chelsea
Embrun
Luskville
Perkins

Québec CMA

Notre-Dame-des-Laurentides
St-Jean-Île-d'Orléans
Valcartier

Toronto CMA

Bethesda
Claremont
Oak Ridges

Exchanges outside of the priority CMAs

Actonvale
Almonte
Bromont
Bromptonville
Brownsburg
Cayuga
Coaticook
Cowansville
Crabtree

Dunham
Dunnville
Farnham
Gananoque
Granby
Hagersville
Joliette
Kingsville
Lachute
Leamington
Lindsay
Montebello
Papineauville
Pelham
Ridgeway
Rigaud
Rockwood
St-Calixte-de-Kilkenny
St-Denis
Ste-Julienne
St-Germain-de-Grantham
St-Jacques
Stoke
St-Paul-d'Abbottsford
St-Polycarpe
St-Rémi
St-Tite-des-Caps
Thurso
Waterloo (Quebec)
Wickham

**Local exchange services eligible for forbearance from regulation in this Decision
(for residential customers only)**

Tariff	Item	List of services
6716	29	Telephone Set Loss Charge
6716	70	Rate Schedules for Primary Exchange (Local) Service
6716	72	Reference of Calls
6716	73	Telephone Number Services
6716	82	Toll Restriction
6716	86	Call Display Blocking
6716	220	Extra Listings – Omission of a Primary Exchange Listing
6716	1060	Service on Stationary Boats, Ships, Trailers and Trains
6716	1130	Suspension of Service
6716	2025	Integrated Voice Messaging Service (IVMS)
6716	2030	Universal Messaging
6716	2150	Push-Button Dialing (Touch-Tone)
6716	2165	Calling Features
6716	2180	PrimeLine Executive
6716	2185	Single Number Reach
6716	2200	Call Blocking Service
6716	2210	SimplyOne Service
6716	2300	Telephone Station Equipment
6716	4699	Internet Call Display Service
6716	7031	Bell Digital Voice

List of exchanges where Bell Canada estimated competitor capability at less than 75 percent

Exchanges within the priority CMAs

Hamilton CMA

Binbrook
Mount Hope

Montréal CMA

Hudson
Mirabel-Aéroport
Mirabel-Ste-Scholastique
Oka

Ottawa-Gatineau CMA

Aylmer
Buckingham

Exchanges outside of the priority CMAs

Bromont
Bromptonville
Cayuga
Coaticook
Dunnville
Farnham
Gananoque
Hagersville
Joliette
Kingsville
Lachute
Leamington
Lindsay
Montebello
Pelham
Ridgeway
Rigaud
St-Calixte-de-Kilkenny
St-Denis
Ste-Julienne
St-Jacques
Stoke
St-Polycarpe
St-Tite-des-Caps